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## **Trinidad and Tobago**

### **Market Development Reports**

# **Trinidad & Tobago offers Unique Opportunities in Niche Markets**

## **2002**

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#### **Report Highlights:**

**Whether it is the growing number of yachts drooping anchor just off-shore or the exponential increase in oil & natural gas rigs setting up several miles from the coastline, Trinidad & Tobago's marine activity offers unique opportunities for U. S. food and beverage products. U.S. suppliers willing to seek out these atypical opportunities are sure to find lucrative rewards.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
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Miami [C11], TD

## Market Overview

Hardly your run-of-the-mill tourist destination, Trinidad & Tobago (TT) is arguably the most unique country in all the Caribbean. Several factors set TT apart from its island neighbors. First of all, Trinidad stands out as the largest and most heavily populated (1.3 million) land in the chain of eastern Caribbean islands. Unlike any other country in the region, 40 percent of TT's population is of East Indian descent, an equal amount is of African descent, and the remainder is mixed (including Chinese, Middle Eastern, and European). This makes for an interesting and unique blend of race, culture and religion not found elsewhere in the Caribbean. Moreover, in this proud birthplace of steel pans and calypso music, tourism, the backbone of Caribbean economies, takes a back seat to energy, financial services, manufacturing and other dynamic sectors of importance in the TT economy.

Some of these same factors, coupled with a relatively high annual per capita income (US\$ 9,003), limited agricultural production, a fairly open trade regime, a common language with the United States, and strong U.S. influences, have all contributed to making TT an excellent and steady market for U.S. food and beverages over the years. U.S. exports of consumer-oriented agricultural products have doubled in the past seven

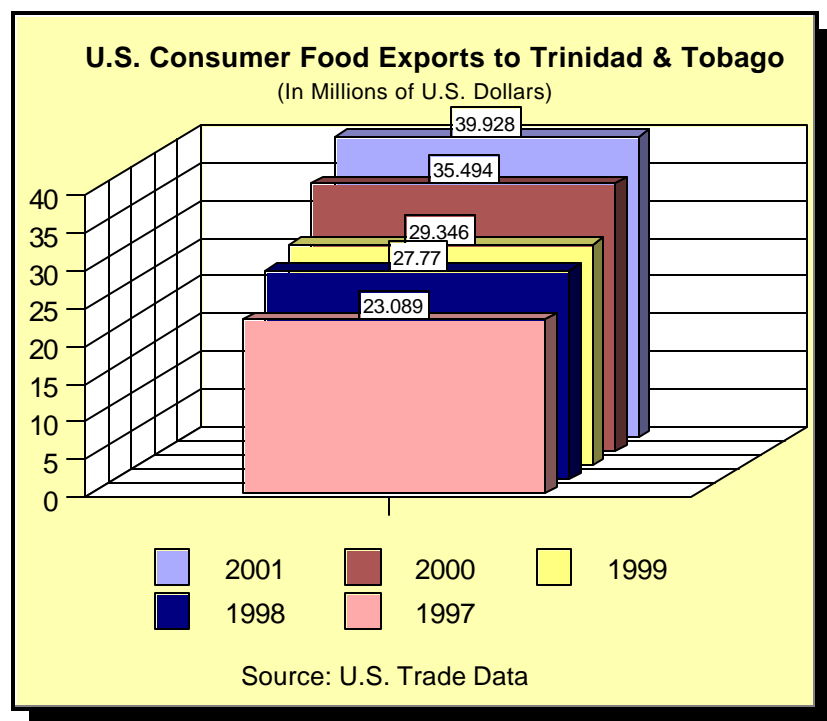
years alone, reaching nearly US\$40 million in 2001. In fact, U.S. exports of snack foods, fresh fruit, and fruit and vegetable juices to TT posted all-time-highs during the same period.

While U.S. products reach TT through traditional retail and foodservice channels, certain unique market niches for U.S. products might be easily overlooked at plain sight. This report takes a closer look at two such market niches.

## The Catering Market for Off-Shore Oil & Natural Gas Operations

### Niche Overview

TT's energy sector is the true driving force behind the TT economy. Since 1990, TT's oil and natural



gas production has increased 50 percent and new finds in recent months lead to forecasts of a boom era over the next several years. One recent find alone off the northeast coast is forecast to yield one billion barrels of oil and 2.5 trillion cubic feet of natural gas. Drilling activities are expected to increase from US\$163 million in 2001 to US\$637 million in 2002. A total of 154 new wells are expected to be drilled in 2002, of which 25 are for exploratory purposes. Moreover, investments taking place in liquified natural gas (LNG) infrastructure are projected to make TT the fifth largest LNG producer in the world by the year 2005.

Off-shore oil and natural gas activities, most of which take place between 3 and 15 miles from the coastline, are quite varied. Both manned and unmanned equipment is used. Generally speaking, exploration platforms have limited personnel on board, with crews of only 4 or 5 workers. Drilling rigs are usually the most labor intensive operations, requiring on average crews of roughly 75 workers. Both of these types of operations are temporary in nature. More permanent production platforms require crews of 30 to 36 workers. The vast majority of laborers are "Trini's" and only 2 to 5 percent are expatriates, usually of U.S. or British origin. Practically all off-shore activities, regardless of their nature, are 24 hour operations.

For the most part, food is supplied to off-shore operations by a handful of local catering businesses in Trinidad. Caterers enter into supply agreements with short term (3-4 months) drilling contractors and into 3 year agreements with the major oil/gas companies when long term production facilities are involved. In most cases, caterers provide full service which includes the food products and the personnel to cook and prepare the meals for the crew. Depending on the size of the off-shore operation, catering personnel may include a chef/supervisor, cooks, bakers, and utility men who all usually work on a "1 week on/1 week off" basis on production facilities and on a "2 week on/2 week off" basis on drilling rigs. Some rigs have their own cooks on board and only purchase foodstuffs from the caterers and other local suppliers. Generally speaking, chefs and/or supervisors all possess some sort of local culinary degree.

Caterers source everything locally, even imported products which are purchased from local importers/distributors. Most produce comes from local wet markets in Trinidad. Products are transported in food boxes (6 x 8 ft.) which may be insulated and packed with dry ice depending on the nature of the product. For larger operations, 20 ft. containers may be used as well. Food is delivered to the nearest port by trucks, most of which are insulated but not refrigerated. The three main gateways to off-shore operations are Galeota Point on the southeastern tip of the island, Point Fortin on the southwestern side, and Chaguaramas on the northwestern end. Delivery normally takes between 4 to 6 hours for nearby operations and up to 18 hours for the farthest outposts. The geographic location of the operations, the number of rigs/platforms serviced by the vessel, the vessel size, and weather conditions all play a role in determining delivery time.

Kitchen and galley facilities are normally well equipped with all cooking and storage necessities. Off-shore operations are resupplied every week or two depending mostly on their size. All outposts keep several days of foodstuffs on board in order to ride out prolonged periods of rough weather which might prevent them from being resupplied on schedule. Crews are normally served four hot meals every day: breakfast, lunch, dinner, and midnight. In addition, snacks (both salty and sweet) are

available 24 hours a day. While off shore meals are not exactly 'fine dining,' they could hardly be considered 'slop on a tray' either. The crew gets a choice of two meats at all meals and fillets steaks are often served for everyone on board. The quality of the ingredients is quite good, many of which are of U.S. origin. Alcohol is prohibited on all off-shore operations.

### Best Prospects

Products which offer the most potential for U.S. suppliers include canned vegetables (asparagus, peas, beans), chocolates and other sweets, ice cream powder, fresh fruit (apples, pears & grapes), frozen dough, ground roasted coffee, and beef (tenderloins, ribeye & T-bone steak).

### Typical Off-Shore Menu

Breakfast	<ul style="list-style-type: none"> <li>• <i>Salt fish or smoked herring (highly seasoned)</i></li> <li>• <i>Coconut bake (bread)</i></li> <li>• <i>Eggs</i></li> <li>• <i>Cereal</i></li> </ul>
Lunch, Dinner, Midnight	<ul style="list-style-type: none"> <li>• <i>Selection of two: stewed chicken, pork chops, roast beef, or fish</i></li> <li>• <i>Pasta, rice or mashed potatoes</i></li> <li>• <i>Soup</i></li> <li>• <i>Cheesecake or pie</i></li> </ul>
Snack	<ul style="list-style-type: none"> <li>• <i>Ice cream</i></li> <li>• <i>Cake</i></li> <li>• <i>Cookies</i></li> </ul>

### Recommended Entry Strategy

The best means of entering this market niche is via direct contact with the catering companies. Although at present caterers do not import directly, they are in the best position to determine which products will work in the off shore operations they service and which will not. These include Classic Caterers, the largest offshore catering service in the country, Cater Serve (Allied Caterers Ltd.), Food Etcetera, and Malabar Farms. If interested in a particular product, caterers will most likely refer U.S. suppliers to local importer/distributors from which they purchase imported product. Contact information for the main catering companies and their suppliers of imported product can be obtained from the Caribbean Basin Agricultural Trade Office (see Appendix I).

### The Yacht Provisioning Market

#### Niche Overview

Yacht provisioning is a market niche which could easily go unnoticed given the fact that it is a rather informal subsector of the retail food business in TT. However, one should not be fooled by the lack of structure in this market, as it has grown by leaps and bounds over the past decade and it represents a fair portion of retail food sales in TT.

Until recent years TT was a little known stop to most boaters. In fact, yacht arrivals in 1990 totaled

only 637. However, TT gained enormous popularity among boaters during the past decade and arrivals increased steadily, peaking at 3,249 in 2000. The reasons for this fivefold increase in arrivals include:

A. Trinidad's main yacht area is a naturally sheltered bay offering excellent protection from rough weather;

B. TT is just south of the 'critical hurricane belt' allowing it to escape major storms affecting the Caribbean each year;

C. Given the above, insurance companies are willing to provide coverage to boaters at competitive rates;

D. Marinas and boat yards offer excellent haul-out and long-term storage facilities as well as repair services at competitive prices;

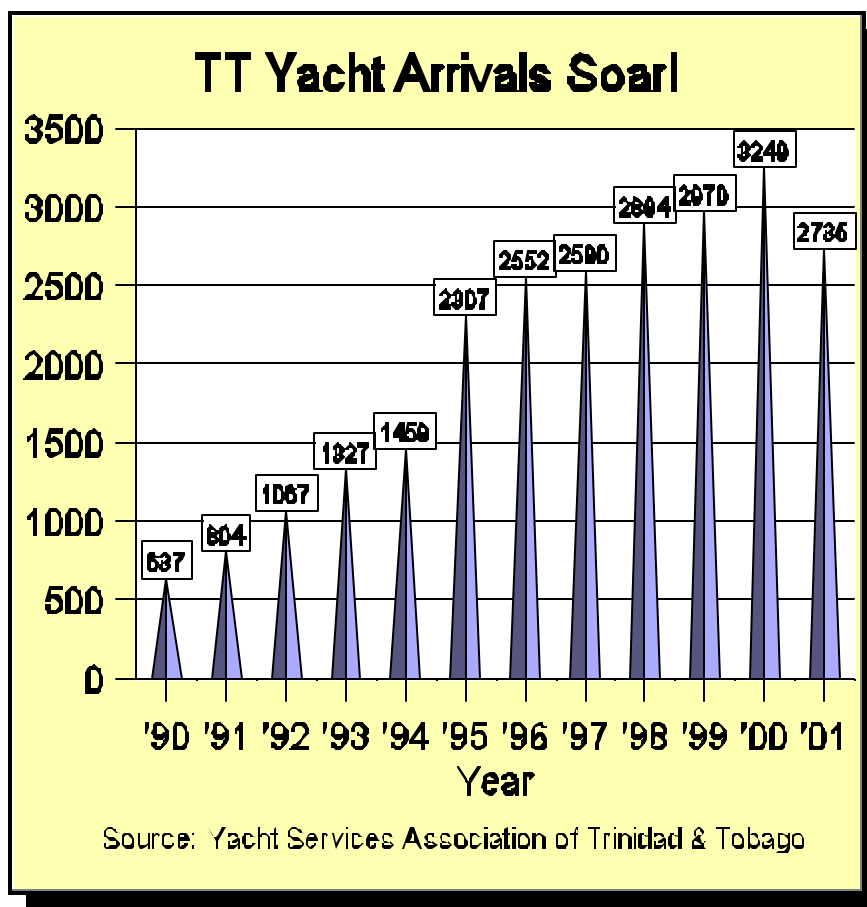
E. The Chaguaramas area has an abundance of well stocked chandlers;

F. High quality teak is locally available in TT;

G. TT has a number of direct flights to and from the United States and Europe.

In 2001, yacht arrivals slipped to 2,758. The main reasons for the downturn include the fact that the 2001 hurricane season was rather quiet, precluding the need for many boaters to seek refuge. The economic downturn in the United States and Europe, exacerbated by Sept. 11, 2001 events, prompted many boaters to postpone their excursions as well. Also, TT faced increasing competition from Grenada which is also a yachting haven in its own right. Nonetheless, yacht arrivals are climbing once again in 2002 and the upward trend should continue its course.

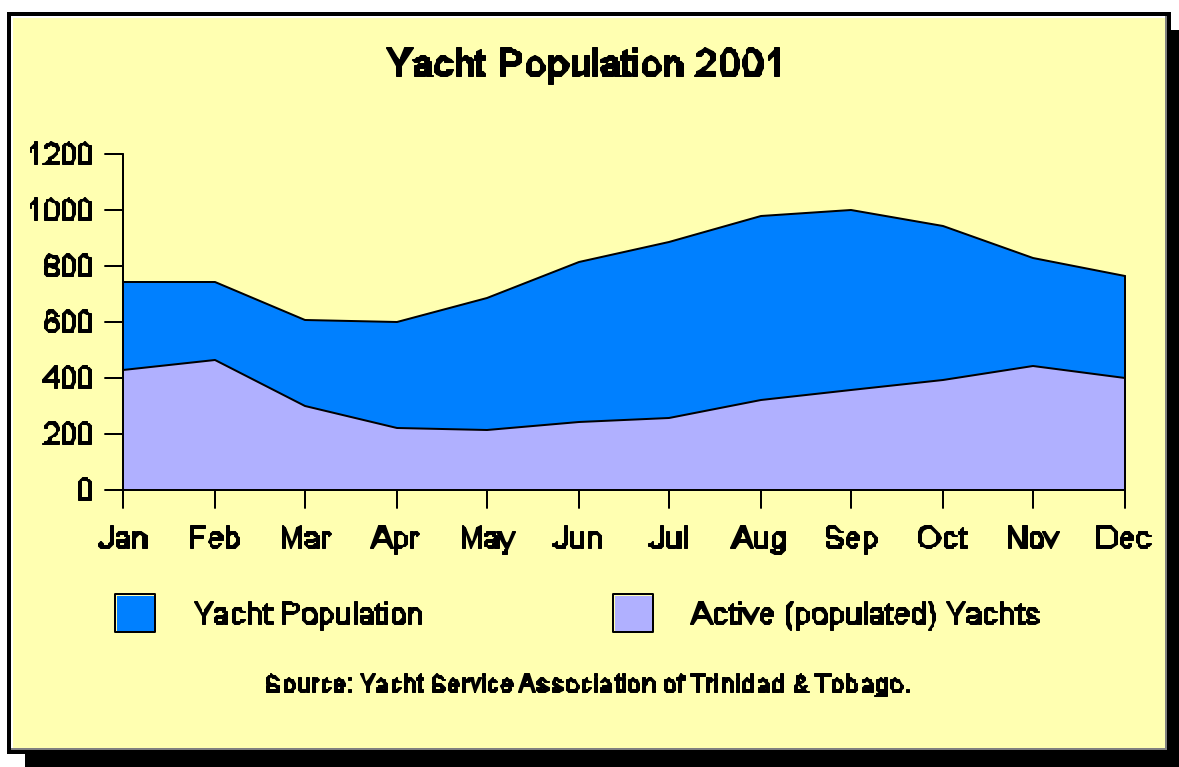
Chaguaramas (*pronounced 'shaw-ga-ramas'*) is the main area of yacht development in Trinidad, and it accounts for the lion's share of all yachting activity in TT. The ports of Scarborough and



Charlotteville on the smaller island of Tobago attract a much more modest number of yachts which are usually on a brief 1 or 2 day trip from Trinidad.

According to the Yacht Services Association of Trinidad & Tobago (YSATT), on average 2.5 people are on board each yacht arriving to TT. The average stay is 3 to 6 months but some people leave their boats behind during the hurricane season and fly back home. Roughly 45 percent of boaters come from the United States and Canada, and 55 percent come from Europe, South Africa, Australia and elsewhere. Yacht arrivals swell during the June-November hurricane season, usually peaking around the month of September. Many boaters also stay for Carnival, which usually takes place in February or March.

Boaters get their food provisions in several ways. Some radio ahead of their arrival and order from a



supplier specializing in boat provisioning. However, this method is rare and there is only one company specializing in this sort of business. The vast majority of boaters rely on purchases from the local retail trade. Upon lowering their anchors, many boaters take their dingy to nearby stores to shop.

Interestingly, this 'dingy trade' is perhaps the most common form of food shopping among boaters. Hi Lo Food Stores, the largest chain of supermarkets in TT, has a small but strategically located outlet at Crews Inn, Chaguaramas' largest marina. Hi-Lo's Crews Inn store is perhaps the best positioned of all retail outlets on the island to service the yacht trade. The Dockside Foodmart, a small single store outlet at the Powerboats marina, is the main competition in terms of retail outlets located at marinas. The more adventurous and long-term visitors usually venture out to larger stores in the West Moorings area by way of a 'Maxi-taxi,' a minivan for hire with a programmed route. West Moorings is home to Hi-Lo's flagship store, an ample and modern facility which carries a large assortment of imported

products. PriceSmart, a U.S. membership warehouse club with two stores in Trinidad, has a store located near the Hi-Lo flagship store as well. PriceSmart usually allows non-member boaters to purchase at their store at a small premium. At PriceSmart, boaters can usually find a wide array of U.S. food and beverage products as well.

### Best Prospects

Practically all products do well in this market niche. Although yachts are usually equipped with refrigerator/freezers, units tend to be small. Therefore, shelf-stable products are well suited for carrying on-board over extended trips. However, boaters usually stock up on a wide assortment of food products much the same as any consumer shopping at a supermarket. Popular items include beer, wine, steaks, fresh produce, pasta and pasta sauce, canned fruits & vegetables, bread, cheese and others.

### Recommended Entry Strategy

Contacting the importers directly is the recommended approach in this market niche. In some cases, such as with Hi-Lo Food Stores and PriceSmart, the importers and the retailers directly servicing the yacht trade are one and the same. However, in most cases the importers will be distribution companies which supply many of the smaller retail outlets. Given the fact that the yacht trade is difficult to quantify and may be difficult to target as well, close contact with the retailers servicing this market niche is essential. Their market knowledge and insights are invaluable to any plans of introducing new products. Interested U.S. suppliers may contact the Caribbean Basin Agricultural Trade Office (See Appendix I) for a listing of retailers and importers.

### Doing Business in Trinidad & Tobago

TT is very receptive to U.S. products. However, U.S. suppliers entering the market for the first time should become familiar with local business practices as well as with import requirements pertaining to food products. The U.S. Departments of State and Commerce have an on-line Country Commercial Guide (CCG) which provides excellent information on TT's commercial environment and tips on doing business there. USDA's Foreign Agricultural Service also has an on-line Food & Agricultural Import Regulations and Standards (FAIRS) report on TT. This report includes information on applicable food laws, product labeling, trademark registration, import procedures, and documentation requirements. Information on how to access these on-line reports can be found in Appendix II.

**APPENDIX I. OTHER IMPORT SPECIALIST CONTACTS****A. U.S. Government Contacts**

Caribbean Basin Agricultural Trade Office  
Foreign Agricultural Service  
U.S. Department of Agriculture  
909 SE 1<sup>st</sup>. Ave Suite 720  
Miami, FL 33131  
Tel: (305) 536-5300  
Fax: (305) 536-7577  
E-mail: [cbato@attglobal.net](mailto:cbato@attglobal.net)  
website: <http://www.cbato.fas.usda.gov>

Margie Bauer, Director  
E-mail: [cbato@attglobal.net](mailto:cbato@attglobal.net)

Omar González, Deputy Director  
E-mail: [omarg01@attglobal.net](mailto:omarg01@attglobal.net)

Graciela Juelle, Admin. Assistant  
E-mail: [gjuelle@attglobal.net](mailto:gjuelle@attglobal.net)

**B. Non-U.S. Government Contacts**

Yacht Services Association of Trinidad & Tobago (YSATT)  
Crews Inn Village Square  
Chaguaramas, Trinidad, W.I.  
Tel: 1 (868) 634-4938  
Fax: 1 (868) 634-2160  
E-mail: [ysatt@trinidad.net](mailto:ysatt@trinidad.net)  
website: <http://www.ysatt.org>



## APPENDIX II. USEFUL WEBSITES/LINKS

### A. U.S. Government websites/links.

1. <http://www.cbato.fas.usda.gov>

Caribbean Basin Agricultural Trade Office website providing information on USDA programs and services geared toward assisting U.S. exporters and Caribbean importers. This site also contains links to the FAS website (<http://www.fas.usda.gov>) providing broader information on export assistance and other topics.

2. <http://state.gov/r/pa/ei/bgn/1897.htm>

U.S. Department of State website. This site offers general background information on Trinidad & Tobago.

3. <http://www.odci.gov/cia/publications/factbook>

Central Intelligence Agency's World Factbook website. The World Factbook provides general information on Trinidad & Tobago and other countries around the globe.

4. <http://www.usatrade.gov/website/ccg.nsf/ShowCCG?OpenForm&Country=TRINIDAD>

Country Commercial Guide (CCG) providing general information on doing business in Trinidad & Tobago. Information on marketing U.S. products & services can be found at:

<http://www.usatrade.gov/Website/CCG.nsf/CCGurl/CCG-TRINIDAD2002-CH-4:-004BBBEB>

5. <http://www.fas.usda.gov/gainfiles/200202/135683510.pdf>

Food and Agricultural Import Regulations and Standards (FAIRS) report. This reports includes information on product labeling, trademark registration, import procedures and documentation requirements pertaining to food products in Trinidad & Tobago.

### B. Non-U.S. Government websites/links.

1. <http://www.theBoca.com/>

The Boca is a monthly magazine providing information of interest on Trinidad & Tobago's yachting industry, including news, a directory of service providers, classifieds, and other useful information.

2. <http://www.theBoca.com/ysatt.htm>

The Yacht Services Association of Trinidad & Tobago is a not-for-profit organization, whose membership includes businesses and individuals that have an active interest in the yachting industry, i.e. boatyards, marinas, yacht clubs, suppliers, contractors, restaurants, food outlets, tour operators, banks, etc.